



Legislation Text

File #: 18-1584, Version: 3

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 3/21/2018

TO: Honorable Mayor and City Council Members

FROM: Information Technology Department

SUBJECT: **City Council consideration to adopt Resolution 2018-012 APPROVING A ONE PERCENT (1%) FEE ON COMCAST [CHARTER](#) COMMUNICATIONS' (SPECTRUM) GROSS REVENUES TO SUPPORT THE CITY'S PUBLIC, EDUCATION AND GOVERNMENT (PEG) CHANNEL**

RECOMMENDED ACTION:

That the City Council :

1. Adopt Resolution No. 2018-012 approving a one percent (1%) fee on Comcast [Charter](#) Communications (Spectrum) gross revenues to support the City's public, educational and government (PEG) channel.
2. Designate all revenue collected by the 1% public, educational and government (PEG) channel fee to Information Technology to use for capital improvements in support of PEG activities as defined within state and federal law accordingly.

ANALYSIS:

In 2006, the State passed the Digital Infrastructure and Video Competition Act (DIVCA) which created state franchises for cable companies in place of the local franchise agreements each City had with a specific carrier. DIVCA opened up cable competing in communities across the State. DIVCA states that all vendors should be treated similarly. Currently there are two cable service providers in Corona, Spectrum (whose parent company is [Charter](#) Comcast Communications) and AT&T U-Verse.

The Corona Municipal Code (CMC) 5.14.140 allows the City Council, by resolution, to assess a 1% PEG Support fee to any State video franchise holder operating within the boundaries of the City of Corona. These fees, once collected, can only be used for public, educational, and government

access purposes consistent with State and Federal law. It is intended that this finding will be used for capital improvement, replacement or maintenance of the City's production equipment, as well as, fund equipment related to emergency broadcasts and information dispersal from the Emergency Operations Center.

The City is required to re-authorize implementation of its 1% PEG support fee under CMC 5.14 once a state franchise expires. Since the state franchise issued to Comcast [Charter](#) Communications (Spectrum) has expired, the City must re-authorize its resolution for Comcast [Charter](#) Communications (Spectrum), which it is doing through the attached resolution effective January 2, 2018.

STRATEGIC PLAN:

This item supports the City's Strategic Plan Goal 6 - Objective: To improve communications with our community.

FISCAL IMPACT:

The one percent (1%) PEG fee is estimated to provide \$200K-\$250K annually based on current gross receipts. This designated revenue will be monitored and budgeted through the Capital Improvement Projects by the Information Technology Department.

ENVIRONMENTAL ANALYSIS:

No environmental review is required because the proposed action is not a project governed by the California Environmental Quality Act.

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